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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

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Q-35788

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__X__ QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTER ENDED FEBRUARY 29, 1992

Commission File Number 0-15482

WAVETECH, INC.
(Exact name of registrant as specified in its charter)

NEW JERSEY	22-2726569
(State of incorporation)	(IRS Employer Identification No.)

501 King Avenue
Cherry Hill, New Jersey 08002
(Address of principal executive offices) (Zip Code)

(609) 486-9200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months or such shorter period that the registrant was required to file such reports, and (2) has been subject to such filing requirements for the past 90 days.

YES__X__ NO_____

Indicate the number of share outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Common Stock, $.001 Par Value - 14,485,950 shares outstanding

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W A V E T E C H, I N C.

PART I - FINANCIAL INFORMATION

WAVETECH INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	February 29, 1991 (Unaudited)	August 31, 1991 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$26,194	$307,126
Accounts receivable Billed, less allowance for doubtful accounts of $47,568	995,030	557,876
Unbilled	222,683	328,317
Inventories	7,224	7,224
Notes and loans receivable	13,295	15,721
Other current assets	138,408	105,230
TOTAL CURRENT ASSETS	1,402,834	1,321,494
Machinery, Equipment, Leasehold Improvements, Land and Land Development Costs	6,624,414	6,590,758
OTHER ASSETS		
Deposits	28,639	26,446
Cash surrender value, officers' life insurance net of loans of $22,840 and $34,841 respectively	22,191	10,191
Other, net of accumulated amortization of $57,116 and $53,623 respectively	66,596	79,759
TOTAL OTHER ASSETS	117,426	116,396
TOTAL ASSETS	$8,144,674	$8,028,648
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$86,037	$95,289
Current portion of capital lease obligations	90,000	87,213
Notes payable to bank	175,000	145,000
Notes payable - other	106,000	106,000
Accounts payable and accrued expenses	229,766	333,231
Other current liabilities	17,500	20,662
TOTAL CURRENT LIABILITIES	704,303	787,395
LONG-TERM DEBT, less current portion	96,542	133,412
Capital Lease Obligations, less current portion	287,739	299,552
Deferred Income Taxes	15,591	15,591
TOTAL LIABILITIES	1,104,175	1,235,950
SHAREHOLDERS' EQUITY		
Common stock, $.001 par value per share, 50,000,000 authorized, 14,618,950 and 14,485,950 shares issued and outstanding respectively	14,617	14,484
Additional paid-in capital	7,948,609	7,919,682
Deficit	(922,927)	(1,141,468)
TOTAL SHAREHOLDERS' EQUITY	7,040,499	6,792,698
TOTAL LIABILITES AND SHAREHOLDERS' EQUITY	$8,144,674	$8,028,648

See notes to Condensed Consolidated Financial Statements

WAVETECH INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended February 29,	
	1992 (Unaudited)	1991 (Unaudited)
REVENUES	$697,710	$465,412
PRODUCTION COSTS		
Salaries	91,099	72,461
Other direct costs	88,250	118,276
TOTAL PRODUCTION COSTS	179,349	190,737
GROSS PROFIT	518,361	274,675
OTHER COSTS		
Selling, general and administrative expenses	292,751	304,196
TOTAL OTHER COSTS	292,751	304,196
INCOME BEFORE OTHER INCOME (EXPENSE) AND INCOME TAXES	225,610	(29,521)
OTHER INCOME (EXPENSE)		
Interest Income	0	0
Interest Expense	(16,651)	(20,118)
TOTAL OTHER INCOME (EXPENSE)	(16,651)	(20,118)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	208,959	(49,639)
PROVISION FOR INCOME TAXES	150	0
NET INCOME	$208,809	($49,639)
Per share data		
Net Income	$0.0143	($0.010)
Weighted average number of shares outstanding	14,618,950	4,145,000

See notes to Condensed Consolidated Financial Statements

WAVETECH INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Six Months Ended February 29, 1992 (Unaudited)	1991 (Unaudited)
REVENUES	$1,349,625	$1,076,424
PRODUCTION COSTS		
Salaries	235,403	173,984
Other direct costs	197,250	253,739
TOTAL PRODUCTION COSTS	432,653	427,723
GROSS PROFIT	916,972	648,701
OTHER COSTS		
Selling, general and administrative expenses	659,770	562,499
TOTAL OTHER COSTS	659,770	562,499
INCOME BEFORE OTHER INCOME (EXPENSE) AND INCOME TAXES	257,202	86,202
OTHER INCOME (EXPENSE)		
Interest Income	0	0
Interest Expense	(32,661)	(42,836)
TOTAL OTHER INCOME (EXPENSE)	(32,661)	(42,836)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	224,541	43,366
PROVISION FOR INCOME TAXES	6,000	0
NET INCOME	$218,541	$43,366
Per share data		
Net Income	$0.0149	$0.010
Weighted average number of shares outstanding	14,618,950	4,145,000

See notes to Condensed Consolidated Financial Statements

WAVETECH INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended February 29,	
	1992 (Unaudited)	1991 (Unaudited)
OPERATING ACTIVITIES		
Net income	$218,541	$43,366
Add (deduct) items not affecting cash		
Gain on disposal of discontinued operations	--	--
Extraordinary income	--	--
Depreciation and amortization	52,059	68,397
Bad debt expense (reversal)		(20,000)
Cash (used) due to changes in working capital amounts other than cash and debt		
(Increase) decrease in inventories	(3,156)	(14,366)
(Increase) decrease in accounts receivable	(331,520)	(15,000)
Increase (decrease) in accounts payable and accrued expenses	(103,465)	437,775
Increase (decrease) in other current liabilities	(3,162)	(66,463)
(Increase) decrease in cash surrender value, officers' life insurance	--	(9,547)
(Increase) decrease in notes receivable	2,426	10,020
(Increase) decrease in other assets	13,163	(52,139)
Increase (decrease) in notes payable -- other		58,090
(Increase) decrease in other current assets	(33,176)	10,000
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(166,294)	--
		430,133
INVESTING ACTIVITIES		
Purchase of machinery, equipment and leasehold improvements	(55,490)	(31,763)
CASH USED BY INVESTING ACTIVITIES	(55,490)	(31,763)
FINANCING ACTIVITIES		
Proceeds from long-term financing	--	--
Net increase (decrease) in notes payable to bank	30,000	(195,000)
Net increase (decrease) in current portion of long-term debt and capital lease obligations	(6,465)	--
Payments on life insurance loans	(12,000)	--
Payments on long-term debt	(36,870)	(50,674)
Payments on capital lease obligations	(11,813)	(52,896)
CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(37,148)	(298,570)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(260,932)	99,780
CASH AND CASH EQUIVALENTS, BEGINNING	307,126	25,472
CASH AND CASH EQUIVALENTS, ENDING	$26,194	$125,252

See notes to Condensed Consolidated Financial Statements

WAVETECH, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

SIX MONTHS ENDED FEBRUARY 29, 1992

NOTE 1--BASIS OF PRESENTATION

THE ACCOMPANYING UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES FOR INTERIM FINANCIAL INFORMATION. ACCORDINGLY, THEY DO NOT INCLUDE ALL OF THE INFORMATION AND FOOTNOTES REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES FOR COMPLETE FINANCIAL STATEMENTS. IN THE OPINION OF MANAGEMENT, ALL ADJUSTMENTS (CONSISTING OF NORMAL RECURRING ADJUSTMENTS) CONSIDERED NECESSARY FOR A FAIR PRESENTATION HAVE BEEN INCLUDED. OPERATING RESULTS FOR THE THREE AND SIX MONTH PERIODS ENDED FEBRUARY 29, 1992 ARE NOT NECESSARILY INDICATIVE OF THE RESULTS THAT MAY BE EXPECTED FOR THE FISCAL YEAR ENDING AUGUST 31, 1992. FOR FURTHER INFORMATION, REFER TO THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 1991.

NOTE 2--PER SHARE DATA

PER SHARE DATA IS BASED ON THE WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING THROUGHOUT THE PERIODS. THE ASSUMED EXERCISE OF STOCK OPTIONS OUTSTANDING WOULD NOT HAVE A DILUTIVE EFFECT ON THE COMPUTATION.

FILE:NOTE292

ITEM II

WAVETECH, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

REVENUES
REVENUES FOR THE THREE ($697,710) AND SIX MONTHS ($1,349,625) ENDED FEBRUARY 29, 1992 INCREASED 50% ($232,298) AND 25% ($275,201) RESPECTIVELY WHEN COMPARED TO THE PRIOR YEARS SAME THREE AND SIX MONTH PERIOD. THIS INCREASE IN REVENUES RESULTED FROM A STRONGER MARKETING EFFORT AND ADDITIONAL SALES PERSONNEL. HISTORICALLY, ALTHOUGH IN SOME RESPECTS IT MAY AFFECT THE THIRD QUARTER, MANAGEMENT EXPECTS THAT SALES WILL SUBSTANTIALLY INCREASE DURING THE FOURTH QUARTER DUE TO DEMAND FOR THE COMPANY'S SERVICES DURING THE LATE SPRING AND SUMMER MONTHS. THE COMPANY IS ATTEMPTING TO EXPAND ITS SERVICES TO REDUCE THE EFFECT OF SEASONALITY.

PRODUCTION COSTS
PRODUCTION COSTS DECREASED ($11,388) OR 6% AND INCREASED BY ($4,930) OR 1% FOR THE SAME THREE AND SIX MONTH PERIODS AS COMPARED TO THE PRIOR YEAR'S SAME PERIODS WHICH REFLECTS THE COMPANY'S SUCCESS AT TARGETING AND OBTAINING MORE PROFITABLE WORK.

OTHER COSTS
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE OF $292,751 AND $659,770 DECREASED BY ($11,445) FOR THE SAME THREE MONTH PERIOD AND INCREASED BY ($97,271) FOR THE SAME SIX MONTH PERIOD. THIS INCREASE IS PRIMARILY DUE TO THE VARIOUS FEES AND EXPENSES ATTRIBUTABLE TO THE START-UP OF THE LANDFILL DEVELOPMENT, MANAGEMENT AND OPERATIONS DIVISION.

INTEREST EXPENSE OF $32,661 FOR THE SIX MONTHS ENDED FEBRUARY 29, 1992 DECREASED BY $10,175 OR 24% WHEN COMPARED TO THE SAME PERIOD OF A YEAR AGO AND $5,467 OR 17% FOR THE THREE MONTH PERIOD DUE TO LOWER INTEREST RATES AND BETTER CASH COLLECTIONS.

RESULTS OF OPERATIONS
THE COMPANY HAS SUBSTANTIALLY INCREASED OPERATIONAL INCOME WHEN COMPARED TO THE SAME SIX MONTH PERIOD OF A YEAR AGO. INCOME FROM CONTINUING OPERATIONS FOR THE SIX MONTHS ENDED FEBRUARY 29, 1992 WAS $224,541 COMPARED TO $43,366 FOR THE SAME SIX MONTH PERIOD OF A YEAR AGO.

LIQUIDITY AND CAPITAL RESOURCES
THE COMPANY MAINTAINS A POSITIVE CURRENT RATIO AND DOES NOT FEEL THAT LIQUIDITY SHOULD PRESENT A PROBLEM CONSIDERING THE CURRENT BACKLOG OF WORK WHICH SHOULD TURN ITSELF INTO CASH IN THE SHORT RUN. WORKING CAPITAL AT FEBRUARY 29, 1992 IS $698,531 COMPARED TO $543,099 AT AUGUST 31, 1991.

FILE: MDA292

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

None

Item 2 - Changes in Securities

None

Item 3 - Defaults Upon Senior Securities

None

Item 4 - Submission of Matters to a Vote of Security Holders

None

Item 5 - Other Information

None

Item 6 - Exhibits and Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the undersigned has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WAVETECH, INC.
(Registrant)

By: _____
RALPH DEPORTE, PRESIDENT and
CHIEF EXECUTIVE OFFICER

By: _____
GARY TOURSCHER SECRETARY/
TREASURER and CHIEF FINANCIAL OFFICER

Dated: April 28, 1992